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## ENVIRONMENTAL PROTECTION AGENCY

[FRL- 9823-7]

### State Allotment Percentages for the Drinking Water State Revolving Fund Program

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice.

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**SUMMARY:** In this notice, the U.S. Environmental Protection Agency (EPA) is announcing the revised Drinking Water State Revolving Fund (DWSRF) allotments that will be provided to the States, the District of Columbia, Puerto Rico, U.S. Territories, American Indian Tribes and Alaska Native Villages if the President's budget request for Fiscal Year 2014 is enacted. These allotments reflect the results from EPA's most recent Drinking Water Infrastructure Needs Survey and Assessment which was released on June 3, 2013. The revised State allotment percentages will be the basis for distributing the DWSRF program appropriations to the States for the four years from Fiscal Years 2014 through 2017.

**DATES:** This notice is effective [INSERT DATE OF PUBLICATION IN THE **FEDERAL REGISTER**].

**FOR FURTHER INFORMATION CONTACT:** For inquiries, contact Robert Barles, Drinking Water Protection Division, Office of Ground Water and Drinking Water (4606M), Environmental Protection Agency, 1200 Pennsylvania Ave., NW, Washington, DC 20460; telephone number: (202) 564-3814; fax number: (202) 564-3757; e-mail address: [barles.robert@epa.gov](mailto:barles.robert@epa.gov). Copies of this document and information on the Drinking Water

Infrastructure Needs Survey and Assessment and the DWSRF program can be found on EPA's Office of Ground Water and Drinking Water website at [http://water.epa.gov/grants\\_funding/dwsrf/index.cfm](http://water.epa.gov/grants_funding/dwsrf/index.cfm) .

**SUPPLEMENTARY INFORMATION:** The 1996 Safe Drinking Water Act (SDWA) Amendments established a DWSRF program. Congress directed that allotments for FY 1998 and each subsequent year would be distributed among States based on the results of an assessment by EPA of the relative infrastructure investment needs of the drinking water systems within each State (SDWA section 1452(a)(1)(D)(ii)) which must be conducted every four years.

**EPA's Drinking Water Infrastructure Needs Survey and Assessment.**

EPA's first assessment, which reflected 1995 survey data, was released in 1997; the second assessment, which reflected 1999 survey data, was released in 2001; the third assessment, which reflected the 2003 survey data, was released in 2005; and the fourth assessment, which reflected the 2007 survey data, was released in 2009. The 2011 Drinking Water Infrastructure Needs Survey and Assessment (Needs Assessment) was released on June 3, 2013 (EPA 816-R-13-006). The 2011 Needs Assessment was completed in cooperation with State and Navajo Nation agencies with primacy for implementing the SDWA programs within their borders. EPA regional offices facilitated the surveying of water systems serving American Indian (AI) communities and Alaska Native Villages (ANV). These agencies participated in both the design of the survey and in the collection of data. The survey examined the needs of water systems and used these data to determine the aggregate infrastructure investment needs of drinking water systems within each individual State and for AI/ANV systems within each EPA Region or the Navajo Nation.

The survey included all of the nation's 606 largest systems (serving over 100,000 people) with 598 providing data (a response rate of 98.7%). For the nation's 8,059 medium sized systems (each serving 3,301 - 100,000 people), the survey relied on a statistically-representative random selection of 2,234 with 2,159 systems responding (a response rate of 96.6%). For the 791 American Indian water systems, the survey relied on a statistical random selection of 220 with 218 systems responding (a response rate of 99%). For the 165 water systems serving Alaska Native Villages, the survey relied on a statistical random selection of 86 systems with 84 responding (a response rate of 97.7%). The survey also sampled the 4 medium and 1 large systems of the U.S. Territories (with a 100% response rate). For small, non-tribal water systems (each serving less than 3,301 people), the 2011 assessment extrapolated the findings from the 2007 survey by adjusting to 2011 dollars.

The sample design for the survey and assessment produces a statistically-valid State-by-State estimate of the total need, which reflects the capital costs for all drinking water infrastructure projects allowed for inclusion in the survey. The 2011 Needs Assessment also presents capital needs for each State by system size and by category of need (i.e., treatment, distribution and transmission, storage, source and "other").

In general, an infrastructure project was included in the Needs Assessment if project documentation demonstrated that meeting the need would address the public health objectives of SDWA. The total State need includes both projects that are currently needed and future projects that will be needed over the next 20 years. Projects to correct immediate public health threats (e.g., replacing a deteriorated filter plant) are given the same weight in the assessment as less critical needs (e.g., replacing a storage tank that is expected to reach the end of its useful life in

five years). The Needs Assessment excluded capital projects that are ineligible for DWSRF program assistance such as dams, reservoirs and projects needed solely for growth.

The 2011 Needs Assessment found that the total national need is \$384.2 billion (Table 1). This estimate represents the needs of the approximately 52,000 community water systems and 21,400 not-for-profit non-community water systems that are eligible to receive DWSRF program assistance. These systems are found in all 50 States, Puerto Rico and the District of Columbia; in the Virgin Island and Pacific Island territories; and on American Indian lands and in Alaska Native Villages.

<b>TABLE 1.- 2011 DRINKING WATER INFRASTRUCTURE NEEDS SURVEY AND ASSESSMENT 20-YEAR NEEDS</b>	
<b>Type of need</b>	<b>Need (billions)</b>
States, Puerto Rico, District of Columbia	\$375.3
Territories .....	0.7
American Indian and Alaska Native Villages .....	\$3.3
Costs for Proposed and Recent Regulations .....	4.9
Total National Need	\$384.2
Note: Numbers may not total due to rounding.	

The total national need also includes \$4.90 billion in capital needs associated with recently promulgated and proposed regulations as identified in EPA Economic Analyses accompanying the rules. Although these needs are included in the total national need, they were not apportioned to the States based on the unanimous recommendation of the State representatives who

participated in the survey design. The States expressed concern that the methods available for allocating the costs of these more recent or proposed regulations would not yet be represented in the capital improvement plans of water systems at the time of the 2011 survey. The total State need, which is the figure that EPA will use to calculate the State allotments, includes only the needs of the 50 States, Puerto Rico and the District of Columbia. The 2011 Needs Assessment estimates that the total State need is \$375.3 billion.

### **Allocation Method**

On October 31, 1996, EPA solicited public comment on six options for using the results of the first Drinking Water Infrastructure Needs Survey and Assessment to allocate DWSRF program funds to the States (61 FR 56231). On March 18, 1997, EPA announced its decision to allocate DWSRF program funds for fiscal years 1998 through 2001 appropriations based on each State's proportional share of the total eligible needs for the States as derived from the 1995 Needs Assessment (62 FR 12900). EPA used this same method when allocating DWSRF program funds for: fiscal years 2002 through 2005, utilizing the results of the 1999 Needs Assessment; fiscal years 2006 through 2009, utilizing the results of the 2003 Needs Assessment; and fiscal years 2010 through 2013 utilizing the results of the 2007 Needs Assessment. EPA has made the determination that it will continue to use this method for allocating DWSRF program funds for fiscal years 2014 through 2017 appropriations utilizing the results of the 2011 Needs Assessment. The funds available to the States will be the level of funds appropriated by Congress less any national set-aside such as the set aside for American Indian and Alaska Native Village water systems. Of the remaining funds available to States, the SDWA includes a specific combined allocation for the Virgin Island and Pacific Island territories and a minimum for the District of Columbia. Each State (including Puerto Rico) will receive an allotment of DWSRF

program funds based on each State's proportional share of the total combined need for all States and the District of Columbia (\$375.3 billion) provided that each State receives a minimum allocation of one percent of the funds available to States, as required by the SDWA. The 2011 Needs Assessment found that 17 States, Puerto Rico and the District of Columbia each had less than one percent of the total national need; for 2014 to 2017, each of these will be eligible for one percent of the annual DWSRF funds made available to States (or, in aggregate, 19 percent of the total DWSRF funds made available to States).

### **Allocation of Funds**

Table 2 contains each State's expected DWSRF program allotment based on the President's budget request for FY 2014. The national set-aside for Fiscal Year for American Indian and Alaska Native Village water systems is 2.0 percent of the total appropriation or \$16,340,000 for FY 2014 under the President's budget request. If funds are appropriated for the DWSRF program at the level of \$817,000,000, the total funds available to the States, the District of Columbia and Territories would then equal \$798,660,000. Because the percentages are based on allotting all available funds annually to the States regardless of the year in the four-year cycle, they can be used for general planning purposes for the entire four-year cycle. Once the 2014 and subsequent year appropriated amounts and any national set-asides are known, a State's allotment can be estimated by subtracting any national set-aside from the total funds available for allotment and then applying the appropriate percentage shown below. EPA will annually notify each State of its allotment from a specific fiscal year's appropriation after the final budget has been passed.

**Table 2. DWSRF State Percentages and Dollar Allotments Based on the President's budget request for FY 2014 and the 2011 Needs Assessment**

<b>State</b>	<b>FY 2014 Allotment</b>	<b>2014 Allotment %</b>
Alabama	\$15,253,000	1.91%
Alaska	\$7,987,000	1.00%
Arizona	\$14,419,000	1.81%
Arkansas	\$12,220,000	1.53%
California	\$75,142,000	9.41%
Colorado	\$13,901,000	1.74%
Connecticut	\$8,093,000	1.01%
Delaware	\$7,987,000	1.00%
Florida	\$29,211,000	3.66%
Georgia	\$17,413,000	2.18%
Hawaii	\$7,987,000	1.00%
Idaho	\$7,987,000	1.00%
Illinois	\$33,328,000	4.17%
Indiana	\$12,955,000	1.62%
Iowa	\$11,945,000	1.50%
Kansas	\$9,102,000	1.14%
Kentucky	\$12,434,000	1.56%
Louisiana	\$10,950,000	1.37%
Maine	\$7,987,000	1.00%
Maryland	\$13,555,000	1.70%
Massachusetts	\$14,846,000	1.86%
Michigan	\$24,858,000	3.11%
Minnesota	\$14,291,000	1.79%
Mississippi	\$8,270,000	1.04%
Missouri	\$16,123,000	2.02%
Montana	\$7,987,000	1.00%
Nebraska	\$7,987,000	1.00%
Nevada	\$11,390,000	1.43%
New Hampshire	\$7,987,000	1.00%
New Jersey	\$15,195,000	1.90%
New Mexico	\$7,987,000	1.00%
New York	\$38,334,000	4.80%
North Carolina	\$18,686,000	2.34%
North Dakota	\$7,987,000	1.00%

Ohio	\$22,200,000	2.78%
Oklahoma	\$12,868,000	1.61%
Oregon	\$11,344,000	1.42%
Pennsylvania	\$25,536,000	3.20%
Puerto Rico	\$7,987,000	1.00%
Rhode Island	\$7,987,000	1.00%
South Carolina	\$7,987,000	1.00%
South Dakota	\$7,987,000	1.00%
Tennessee	\$7,987,000	1.00%
Texas	\$57,746,000	7.23%
Utah	\$8,334,000	1.04%
Vermont	\$7,987,000	1.00%
Virginia	\$13,232,000	1.66%
Washington	\$17,825,000	2.23%
West Virginia	\$7,987,000	1.00%
Wisconsin	\$13,928,000	1.74%
Wyoming	\$7,987,000	1.00%
District of Columbia	\$7,987,000	1.00%
U.S. Territories *	\$11,980,000	1.50%
<b>Total Funds Available to the States, the District of Columbia, Puerto Rico, and U.S. Territories</b>	<b>\$798,660,000</b>	
American Indian & Alaska Native Water Systems	\$16,340,000	
Monitoring for Unregulated Contaminants	\$2,000,000	
<b>Total SRF Appropriation</b>	<b>\$817,000,000</b>	
* Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.		



Dated: June 6, 2013

Peter C. Grevatt,

Director, Office of Ground Water and Drinking Water.

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